

**State of California
State Water Resources Control Board
Division of Clean Water Programs
Underground Storage Tank Cleanup Fund Program**

Technical Document No. 4

Pre-Approving Corrective Action Costs, Assisting Claimants and Improving California's UST Cleanup Process

This guidance document is intended to inform claimants that: 1) they may request pre-approval of corrective action cost estimates or bids, and 2) the Fund's staff makes a concerted effort to help claimants with UST corrective action.

The most important area of assistance to claimants is pre-approval of corrective action cost estimates and bids. Pre-approval is a way for claimants to have the Fund's staff determine the eligibility of corrective action costs in a specific contract or change order before the contract is signed and costs are incurred. The Fund has found that pre-approval eliminates most of the problems that have kept claimants from being fully reimbursed for UST corrective action costs. Additionally the Fund has found that pre-approved corrective action costs are reimbursed more quickly than costs not pre-approved for reimbursement. This is because the Fund's staff is already familiar with the proposed work, and it is more a matter of confirming that the invoiced costs and actual scope of work are consistent with the original proposal.

*It is strongly recommended that individuals and smaller businesses request and obtain pre-approval, before authorizing work to begin, for **all** contracts or change orders for corrective action. In some cases, the Fund may require that a claimant obtain pre-approval of corrective action costs.*

Pre-approval is not pre-payment of corrective action costs: The Fund reimburses only invoiced costs necessary for UST corrective action; those invoices still must be submitted according to the Fund's Reimbursement Request Instructions before the claimant can receive reimbursement.

Pre-approval does not guarantee the amount to be reimbursed: The scope of work originally pre-approved must be conducted. If changes to the original scope of work are directed by the lead regulatory agency, reimbursement will be adjusted consistent with the pre-approved costs and scope of work.

How to obtain pre-approval of a cost estimate or bid: Claimants should obtain a copy of the "Cost Pre-Approval Request" form from the Fund. The form must be signed by the claimant or a representative duly authorized on the Fund's "Authorized Representative Designation" form. Consultants, contractors or parties not duly authorized may not request pre-approval on behalf of the claimant. In addition, the following documents or information must be submitted for review:

- A complete, signed copy of the proposed investigation work plan or Corrective Action Plan (CAP) as defined and required by the California Underground Storage Tank Regulations.
- A signed copy of the lead regulatory agency letter approving the work plan or CAP.
- A complete copy of the Invitation For Bids (IFB) with a list of all firms invited to bid. (The Fund has the discretion to waive the bidding requirement if it is "unnecessary, unreasonable or impossible" to obtain three bids. If the claimant believes that one of these criteria apply, then a letter explaining the situation should accompany the request for pre-approval.)
- Complete copies of all bids or other correspondence received in response to the IFB.
- A time schedule for the proposed corrective action.
- A detailed project budget.

The Fund's staff is available to **assist** claimants. It is still the claimant's responsibility to prepare IFBs, obtain bids, contract for consultant and contractor services and ensure that corrective action is completed in a timely manner at a reasonable cost. There are many ways, however, in which the Fund's staff, based on its experience reviewing corrective action and its cost, can help claimants with the mechanics of hiring qualified consultants and contractors and managing corrective action and its cost.

Assistance and pre-approval of costs can be given only on request. The only way to receive help is to ask for it.

Claimants should contact the Fund directly if they have any questions regarding the eligibility of costs **before** those costs are incurred. It is easy to prevent unreasonable costs from being incurred; it is impossible to prevent unreasonable costs that already have been incurred.

Sincerely,

ORIGINAL SIGNED BY

Allan Patton, Manager
Underground Storage Tank Cleanup Fund Program

ATTACHMENT

STATE OF CALIFORNIA - CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY PETE Wilson, Governor
STATE WATER RESOURCES CONTROL BOARD
PAUL R. BONDERSON BUILDING
901 P STREET

P. O. BOX 1 00
SACRAMENTO, CALIFORNIA 95812-0100